

WEATHER FORECAST.
Cloudy and much warmer to-day; to-morrow cloudy with moderate temperature.
Highest temperature yesterday, 18; lowest, —2.
Detailed weather reports will be found on editorial page.

THE NEW YORK HERALD

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THE BEST IN ITS HISTORY
The New York Herald with all that was best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

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NEW YORK,

SATURDAY, FEBRUARY 18, 1922.

ENTERED AS SECOND CLASS MATTER, POST OFFICE, NEW YORK, N. Y.

PRICE TWO CENTS

THREE CENTS WITHIN 200 MILES. FOUR CENTS ELSEWHERE.

EXPULSED BROKERS DECLARED BANKRUPT WITH \$670,000 LOSS

Six Former Employees of
R. H. MacMasters & Co.
Start Action.

ANDREWS CONVICTED

Man Who Lived With Two
Wives Guilty of Larceny
of \$14,000.

3 HELD IN \$50,000 EACH

H. H. Lowy Members Said to
Have Fleeced Women of
\$4,000 to Open Office.

A bankruptcy action against R. H. MacMasters & Co., 82 Broad street, a Consolidated Stock Exchange firm, expelled two days ago for bucketing; the indictment for grand larceny of three members of H. H. Lowy & Co., brokers, 193 Broadway; the conviction of one stock swindler and the investigation of a new batch of complaints by the District Attorney's office stood out yesterday in the drive on bucket shops.

The MacMasters firm's liabilities were estimated at \$700,000, with assets, mainly accounts receivable, of \$300,000. Their expulsion from the Consolidated Exchange was announced Thursday as result of legal action begun by District Attorney Banton. George P. Silkworth, president of the exchange, told Mr. Banton yesterday he would give him the data and complaints against MacMasters & Co. on Monday.

An involuntary petition in bankruptcy was filed in the United States District Court on behalf of six former employees, who asked for the appointment of a receiver and declared the firm was insolvent. Robert P. Stephenson, former United States Attorney, was appointed receiver under \$10,000 bond.

The claims of the petitioning creditors are for salary due and range from \$50 to \$150. Besides its New York office, which was fitted up like the grand ball room of a Fifth avenue hotel, the firm had offices in Chicago, Milwaukee, New Haven, Richmond, Petersburg, Va., and Pittsburgh. The members were Roy H. MacMasters and James A. Cochran, but John P. MacMasters is said to be its brains and backer. He is the father of Roy H. and formerly was with Hughes & Dier.

E. D. Dier & Co., successors to Hughes & Dier, recently failed for \$1,000,000 and their affairs are being investigated by the Grand Jury. Through their counsel, Lockwood & Lark, Dier & Co. obtained an order from Judge Hand for District Attorney Banton to show cause why he should not be restrained from examining their books, on the ground that such action would violate their constitutional rights as bankrupts.

The order will be contested by the appeal division of the District Attorney's office on the point of whether a United States judge has authority to restrain the District Attorney in New York State in the prosecution of complaints.

\$50,000 Bail for Each of Three.
Three new indictments for bucketing, making a total of twelve this week, were handed up by the Grand Jury. The specific charge is grand larceny in the first degree. The three defendants were arraigned last night before Judge Crain in General Sessions and pleaded not guilty.

Their bail, which had been \$5,000 each in magistrate's court, was raised to \$50,000 by Judge Crain when he learned the nature of the charge.

They gave their names as Harold H. Lowy, 24, of 2616 Grand Central; The Bronx, senior member of H. H. Lowy & Co.; Martin Schlesinger, 21, 1312 Bronx road, The Bronx, and Albert Friedberg, 23, 851 Kelly street, The Bronx, also members of the Lowy firm.

Complaints against them were made by Mrs. Jenny Broiles, 553 Westchester avenue, The Bronx, and Mrs. R. Barabette Beck, 884 Prospect avenue, The Bronx.

Mrs. Broiles told the District Attorney she had given checks for \$1,800 to Lowy & Co. for Hamburg-American bonds, but did not receive the bonds and returned the checks. Mrs. Beck complained that she had given \$2,000 in cash to the defendants for the same company's bonds, with the same result.

The \$4,000 with the three obtained in these deals was used to rent and furnish their office, according to the charges made against them by their victims. Their counsel, Samuel Markewich, told the court his clients had done no wrong—merely engaged in a business transaction—and should not have been taken to a criminal court.

Herbert T. Andrews Convicted.
Herbert T. Andrews, formerly a broker with offices at 20 Broad street, was convicted of grand larceny in the first degree before Judge Crain in General Sessions for bucketing operations involving stocks valued at \$11,000. He will be sentenced one week from to-day. The penalty is five to ten years.

INVESTOR'S BEST TEST OF BROKER'S HONESTY IS THOROUGH INQUIRY

Danger Signs Are Offers of Quick or Tremendous Profits, Bids for Business on Small Margin or Low Interest All Offered by Bucketeteer 'on Recommendation of Friends.'

This is the ninth of a series of articles in THE NEW YORK HERALD exposing swindles carried on all over the country by bucket shops. This article will attempt to show how a client of a brokerage may determine whether he is in the clutches of a bucket shop. The tenth article will appear on Monday.

Since THE NEW YORK HERALD began its series of articles showing how the widespread operations of the modern bucket shop are robbing the public of hundreds of millions of dollars, this newspaper has been flooded with inquiries from persons who have been victimized or fear they are about to be robbed by brokerage concerns with whom they placed their money with good faith.

Some of these letters have been pitiful, telling of the vanishing of lifetime savings almost overnight through the slick tongued stories and crooked machinations of bucket shops. Others—frequently shielded behind anonymity—are couched in terms of fear of exposure of the fact that the writers have been victimized, thus subjecting them to embarrassment or loss of position.

Still others, filled with invective and bitterness, hope for revenge through publication of something that will damage the house with which they have lost money. Many such letters name the houses they wish to see assailed, without taking into consideration that a mere statement of a case does not prove it sufficiently to permit of direct charges being made through the columns of a newspaper, and plead frankly: "Please blow this bucket shop out of the water!"

The requests for examinations, many of which could not be made except by a District Attorney's inspection of books and accounts, are frequent, the clients of houses named being afraid they are about to lose the money and wishing to get first hand information regarding the responsibility and integrity of their brokers.

All Want to Test Brokers.

Nearly all of the letters thus received from persons not already victimized make this request: "What is the best way to find out whether my broker is on the square?"

The purpose of this article is to answer as nearly as possible the latter inquiry.

There appears to be no known rule by which it can be told for a certainty whether one is dealing with an honest broker or a bucketeteer. The answer to that question frequently cannot be obtained until it is time for the bankruptcy court or the District Attorney to step in. Then, of course, it is too late for the information to be of great value. The damage already will have been done and honest money will have vanished.

There are danger signals, however, which the intending investor in stocks and bonds, either outright or on margin, would do well to heed. And there also are one or two resources to which he may have access, once having invested, which should do much toward confirming his suspicions or allaying his fears.

Beware of Flattering Approach.

In the first place, when you are approached by a stranger, who appears to be unexpectedly by a stranger, either by telephone, mail or personally, to take a chance on some investment, you should make it a point to verify to an absolute certainty the source from which the solicitor obtained your name and the grounds on which he has reason to believe that you are in a position to invest.

Do not accept a plausible explanation of these particulars, for the best thing the bucketeteer does is to make things look and sound plausible. If the broker is on the square and he thinks your business is worth his attention, he will have no objection whatever to aiding you in any investigation you may wish to make regarding his business integrity and motives.

It should be emphasized that you cannot be too careful about this. The chances are your name has been obtained from a "bucket list"—that is, any list containing a large number of names—that the solicitor knows nothing about you except your name and address. He will have anticipated most of your questions and will be ready with a glib explanation.

The most usual explanation is that a "prominent customer of ours who is a friend of yours and for whom we have made a lot of money wanted you to get in on something good and asked us to call you up." It is then explained that, having revealed the fact that this "friend" recently has made "a lot of money," obviously it would be unfair and unethical to reveal his name.

References Often Useless.

In the same connection you cannot be too careful in your investigation of the character of the brokerage seeking your business. There are known to be one or two concerns which make a business to report favorably on bucket shops which give their names as references. Thus the bucket shop, being a subscriber to the service of such a reporting bureau, has it arranged beforehand that all reports shall be favorable. This phase of the bucketing frauds will be discussed in a future article.

As has been said, however, even the best of precautions sometimes fail. The president of one of the big exchanges of New York is authority for the statement that some well reputed and widely known banks are not too scrupulous at times to give a sufficiently clean bill of health to a heavy depositor to allow him to hook a new fish.

The unexpected and flattering approach, though, may be accepted as a danger signal.

Another mark of attention from a so-called brokerage house which should cause the average citizen to

TEX RICKARD QUILTS AS MADISON SQUARE GARDEN PRESIDENT

John Ringling Succeeds
Promoter, Indicted for
Attacking Girls.

FRIENDS IN CONTROL

Flournoy, Also Partner of
Retiring Manager, Be-
comes Matchmaker.

ANNOUNCEMENT DELAYED

Proposed Inquiry by State
Athletic Commission Is
Halted by Action.

Tex Rickard, prizefight promoter, who was indicted on Wednesday charged with attacking young girls, has resigned as the matchmaker and president of the Madison Square Garden Sporting Club. According to the State Athletic Commission, Rickard resigned Thursday night, but no official announcement of the fact was made till last evening, when the commission gave the names of the new officers of the Garden Club as follows:

President, John Ringling; vice-president and treasurer, John M. Reilly; secretary, Richard Fuchs; assistant treasurer and general manager, Frank E. Contry; matchmaker, Frank Flournoy.

Ringling, who becomes the president of the organization, is the business partner and backer of Rickard. Flournoy, who is the new matchmaker, has been associated with Rickard in all the latter's ventures for several years. It appears, therefore, that Rickard's friends will have control of the Garden until such time as the case against the promoter has been settled.

Denials After Resignation.

Although the reorganization was effected Thursday night, it was instantly denied at Madison Square Garden by Rickard and his colleagues that he had ceased connection with the sporting club which supervises the boxing bouts and other athletic events at the Garden.

When the members of the State Athletic Commission were questioned as to whether Rickard was forced out of the management because of the indictments against him one of the spokesmen of the commission said:

"So far as we know, he resigned."

The commission openly had threatened an investigation into the charges against Rickard with the view of determining whether his license should be revoked, but the announcement by the club that Rickard is out has forestalled the inquiry.

Rickard and his associates leased Madison Square Garden in July, 1920. Under his direction several championship boxing and wrestling contests were held at the Garden during the last year and a half, and the crowds attracted to these exhibitions, it was made known a few months ago, paid more than half a million dollars in taxes to the Federal, State and city governments.

Besides the boxing contests and wrestling matches Rickard has arranged several six day bicycle races and other minor attractions for the entertainment of the sporting element of New York. Last summer a swimming pool was installed in the Garden at a tremendous cost and it proved to be as popular as other attractions.

Rickard's Supreme Effort.

Rickard's most important effort since taking over the Garden was the promotion of the world's heavyweight pugilistic championship fight between Jack Dempsey, the American title holder, and Georges Carpentier, the French challenger, in Jersey City on July 2 last.

During his comparatively brief term of management of the Garden Rickard had succeeded in bringing about a number of actions instituted against him, a majority of them growing out of boxing bouts.

Frank C. Armstrong, representing that he had been a partner of Rickard in all his sporting enterprises for the last ten years, including the lease of Madison Square Garden, instituted suit against him for an accounting. At the same time he asked that a receiver be appointed for Rickard. Later the promoter became involved with the Federal authorities as a result of the bringing of the pictures of the Dempsey-Carpentier fight into New York and the attempts to put them on the screen.

Rickard was arrested on January 21 when the S. P. C. C. complained that he had made an attack upon Alice Ruck, aged 15, of 225 East Twenty-first street. When arraigned in West Side court he made a general denial of the charges through his counsel, Max E. Stuever. The magistrate held Rickard for the Grand Jury, whose investigation resulted in the indictment.

Continued on Page Nine.

HOSTILE TIDE SWAMPING BONUS RAID; EX-SERVICE MEN REJECT GRATUITY; EIGHT GROUPS ARE ALIGNED IN FIGHT

LEGION MEN WRITE AGAINST BONUS BILL

Senators and Representatives
Get Many Protests by
Mail on Gratuities.

APPEALS FOR WIDOWS

One Service Man Recalls That
Slain Soldiers' Families
Must Share Burden.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,
Washington, D. C., Feb. 17.

In order to protect the writers from annoyance Senators and Representatives receiving protests against the bonus scheme are withholding the names of men and women who have communicated their views regarding it. From the mails of several Senators and Representatives to-day the following protests were selected:

"It is un-American, not a just compensation to the soldiers nor a reasonable demand upon the people."

"I enlisted in the National Guard of the State of New York in May, 1917 and was in active service until June, 1919, and of this period I spent nineteen months overseas with two of the well known fighting divisions. I will admit that the temptation to seek legislation which will grant me like myself a bonus or some other form of compensation is great. I am, however, unalterably opposed to the idea in any form, and I know a great many of my former comrades who feel likewise."

"As a former service man I wish to go on record as being opposed to the contemplated soldiers' bonus act. I feel that the enactment of any such bill would cause an increase in taxes, and would continue for a number of years to come, and would be in direct opposition to the efforts of our best minds to endeavor to so conduct the Government as to reduce taxation. A point that I think has been overlooked is that the men who were in the service went in to fight for the protection and future of themselves and their own individual positions as much as they fought on behalf of those that stayed at home."

Fighter Denounces Bonus.

"Permit me as a member of the American Legion to address a word or two to you regarding the proposed bonus legislation. The persistent and continuing clamor that is being made by the proponents of these measures, must, I suppose, lead you gentlemen in Congress to believe that all of us who served in the army or navy during the late war are in favor of this so-called adjusted compensation. Let me assure you this is not so. There is a large silent minority, or possibly majority, who feel that they have been generously treated by the Government and that no further compensation is due them."

"As an ex-service man in the late war I beg you to use your influence against the soldiers' bonus legislation. I earnestly believe the deserving do not wish the bonus."

"As a member of the American Legion I protest against the bonus bill. The Legion comprises only about one-fifth of the ex-service men, and of these a large minority oppose the bonus."

"As a voter and an ex-service man I beg to inform you that it is my belief that the passage of a bonus bill would be a very serious menace to the welfare of the country to-day. Furthermore, I believe that the majority of the people of the country feel as I do about it, and I know from personal experience that a very large number of ex-service men who are also members of the American Legion are not in favor of it."

Aged Woman Writes.

This letter was on black edged mourning paper, from a woman, the wailing words indicating old age:

"I would like to register my vote against the bonus bill. Two of my boys were in France, but they went into the war for strictly patriotic reasons and I do not believe in the bonus bill. It seems to me such a bill would be a great smirch on the patriotism of the country."

"As an ex-soldier in the United States Army I desire to enter my protest on the proposed bonus bill. Why any American should ask or expect cash compensation for defending his honor, his family, his country is beyond my comprehension. I am therefore taking no part in the matter."

Finds Few in Favor.

"Living here on the edge of Camp Dix, I have met hundreds of soldiers. I can hardly think of one that would be benefited by the bonus bill. It seems to me that I have talked to seem to regard the bonus as anything else than a joke—something for nothing."

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Continued on Page Two.

BILLION AND A HALF SPENT ON VETERANS SINCE WAR, BUREAU DIRECTOR SHOWS

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,
Washington, D. C., Feb. 17.

THE Government has spent \$1,541,447,182.58 in caring for war veterans since the armistice. Expenditures for all purposes, under the varied activities of the War Veterans Bureau, up to January 1, 1922, are set forth in detail in the following summary, compiled under the direction of Col. Charles R. Forbes, director of the bureau:

INSURANCE.		
Insurance in Force.	Number of Policies.	Amount of Insurance.
War risk term insurance.....	339,167	\$2,536,482,444.00
United States Government life insurance.....	259,730	929,292,694.96
Totals.....	598,897	\$3,465,775,138.96

INSURANCE CLAIMS.		
Insurance Claims Allowed.	Number of Claims.	Computed Value.
War risk term insurance claims.....	148,864	\$1,311,382,446.33
U. S. Government life insurance claims.....	1,307	5,635,241.75
Totals.....	150,171	\$1,317,017,688.08
Amount paid on insurance to date.....		282,286,606.04

COMPENSATION CLAIMS.		
Number of ex-service men receiving compensation.....	153,651	
Number of death claims on which payments are being made.....	49,438	
Total number of active claims.....	203,089	
Amount paid on compensation claims in December.....		\$11,094,604.74
Total amount paid on compensation claims to date.....		\$30,141,766.52

Kind of Hospital.	tubercu-	Neuro-	Generaland	Total.
U. S. Public Health service.....	6,117	2,765	4,723	12,605
Army	559	21	605	1,485
Navy	440	14	812	1,366
Soldiers' home.....	1,269	685	347	2,501
St. Elizabeth's.....		822		822
Contract	2,961	3,965	1,982	8,908
Totals	11,646	8,272	8,769	28,687
Amount expended for hospitalization out of 1921 appropriations				\$58,616,847

VOCATIONAL TRAINING.		
Number of applicants declared eligible for vocational training.....	295,879	
Number of applicants who have entered upon vocational training.....	127,068	
Number of applicants now in training.....	104,378	
Total expenditures to date.....		\$212,724,593

EXPENDITURES FOR ALL PURPOSES.		
Vocational training.....		\$212,724,593
Insurance.....		3,465,775,138.96
Compensation.....		30,141,766.52
Allowances.....		300,906,125
Medical and hospital service.....		282,049,110
Marine and seamen's insurance.....		35,084,378
Medical and hospital service.....		40,177,569
Administrative.....		47,078,092
Total.....		\$1,541,447,182.58

In a separate table detailing the amount of outstanding insurance held by war veterans it was shown that up to January 1, 1922, a total of \$277,845,081 had been paid in premiums on outstanding war risk term insurance, and that a total of \$45,145,527 in premiums had been paid to the Government on outstanding Government life insurance.

As against these two sums paid into the United States Treasury in premiums the United States Government carries as liability the following two classes of outstanding insurance now in force:

War risk term insurance.....	\$2,536,482,444
United States Government life insurance.....	929,292,694.96

JAPAN BARS MRS. SANGER AS BIRTH CONTROL ENVOY

Tokio Directs Refusal to Vise Passport and League's
Head Fails to Secure Passage at San Francisco
—Will Sail Anyhow, She Says.

Special Dispatch to THE NEW YORK HERALD.

SAN FRANCISCO, Feb. 17.—Plans of Mrs. Margaret Sanger, head of the Birth Control League, to spread the gospel of birth control in Japan, were halted by the Japanese Government today with an order to the Japanese Consul-General here to refuse to vize Mrs. Sanger's passport and the announcement by Consul-General S. Yada that another order had been issued by the Japanese Department of Home Affairs forbidding Mrs. Sanger to set foot on Japanese territory.

Mrs. Sanger arrived in San Francisco to take passage to Japan on the Japanese steamship Taiyo Maru February 21, but not having the proper passport vize, was unable to purchase a ticket.

"Japan is a country but little greater in size than the State of California," Mrs. Sanger explained to-day. "It has a population which is almost half that of the United States and a birth rate that is increasing the population at a rate of 800,000 a year above the death rate."

"If Japan would accept birth control openly and set about a scientific limitation of her population increases the problem of her overpopulation would be solved. Otherwise I can see nothing but a war of aggression that must come inevitably within the next twenty or twenty-five years."

Mrs. Sanger later decided to sail aboard the Taiyo Maru and take chances of being stopped from landing in Japan. She declared the Japanese Government is afraid her lectures might upset its militaristic theories, but that she intended to try to carry out her plans in Japan despite opposition.

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Continued on Page Two.

DROP SALES LEVY

Supporters Discouraged
by White House Stand
for a Tax on Pro-
duction.

CONGRESS IS EXCITED

Garner Assails Secret Meet-
ings of House Committee
With Legion Men.

GRANGE FIGHTS IMPOST

Fordney Announces That He
Will Have Measure Ready
in Ten Days.

By LOUIS SEIBOLD.

Special Dispatch to THE NEW YORK HERALD.

New York Herald Bureau,
Washington, D. C., Feb. 17.

The promoters of the bonus raid on the Government finances and business of the country are making desperate efforts to stem the tide of popular disapproval. Realizing the strength of public resentment against additional taxes or bond issues, the professional bonus propagandists and the members of Congress with whom they have made political deals appear to be bewildered. They have turned their wrath against President Harding because of his refusal to sanction the many fantastic schemes proposed by them for financing the gratuities proposed for alighted men who served in the world war.

The reaction from the President's letter of yesterday suggesting a sales tax as the most feasible plan for raising the bonus money or the postponement of the legislation demanded by the organized propagandists has reflected universal indorsement of his position by opponents of the bonus.

Wanted More Decisive Stand.

The sole criticism directed toward the President is caused by his failure to limit his response to the Congressional appeal for help to a recommendation that the bonus scheme be dropped. The President, however, is understood to have felt that he could not take this course without repudiating the promises made by him in the Presidential campaign to favor a bonus for world war veterans.

If conditions were propitious after his election, his declaration to Chairman Fordney of the